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12 Court-Appointed Receiver for  
13 Alta Gold Mining Co.

14 UNITED STATES DISTRICT COURT

15 DISTRICT OF NEVADA

16 \* \* \*

17 ALTA GOLD MINING CO., by and through its  
18 Court-Appointed Receiver Angelique L.M. Clark,

Case No. 3:13-cv-00311-RCJ-VPC

19 Plaintiff

20 vs.

PLAINTIFF'S FIRST AMENDED  
COMPLAINT

21 AERO-NAUTICAL LEASING CORPORATION,  
22 a Delaware corporation; CENTURY CAPITAL  
23 PARTNERS, LLC, a Delaware corporation;  
24 MICHAEL ANTHONY, a Florida resident;  
25 BRADLEY SWAHN, a Florida resident, and  
26 DOES 1-X, inclusive.

25 Defendants.

26 AERO-NAUTICAL LEASING CORPORATION, a  
27 Delaware corporation on behalf of itself and  
28 derivatively,

Counter-Plaintiff,

1 vs.

2 ALTA GOLD MINING CO., by and through its  
3 Court-Appointed Receiver Angelique L.M. Clark;  
4 and ANGELIQUE L.M. CLARK, an individual,

5 Counter-Defendants.

6 - and -

7 ALTA GOLD MINING CO., a Nevada corporation,

8 Nominal Defendant.  
9 \_\_\_\_\_/

10 Plaintiff, Alta Gold Mining Co. ("Alta"), by and through its Court-Appointed  
11 Receiver, Angelique L.M. Clark, and counsel of record, Woodburn and Wedge,  
12 complains and alleges as follows:

### 13 JURISDICTION AND VENUE

14 1. This Court does not have jurisdiction over this matter. This case was  
15 initially commenced in the Second Judicial District Court for the District of Nevada as  
16 Case No. CV13-01034. Defendant Aero-Nautical Leasing Corporation ("Aero-  
17 Nautical") removed the matter to this Court on the basis of diversity of citizenship (28  
18 USC § 1332). Defendants Century Capital Partners, LLC ("Century") and Michael  
19 Anthony ("Anthony") filed a consent to the removal, but the consent was untimely.  
20 Alta has filed a motion to strike Century and Anthony's consent and to remand the  
21 case to state court.  
22

23 2. If this Court were to have jurisdiction over this matter, venue would be  
24 appropriate pursuant to the provisions of 28 USC 1441.

### 25 THE PARTIES

26 3. Alta is a Nevada corporation duly authorized to conduct business in the  
27 State of Nevada.  
28

1           4.     On May 1, 2011, Angelique L.M. Clark ("Receiver") was appointed by  
2     the Second Judicial District Court of the State of Nevada as Receiver for Alta in Case  
3     No. CV11-01488 and brings this action in that capacity.

4  
5           5.     Alta is informed and believes that at all times relevant hereto,  
6     Defendant Aero-Nautical was a Delaware corporation transacting business within the  
7     State of Nevada.

8           6.     Alta is informed and believes that at all times relevant hereto,  
9     Defendant Century was a Delaware corporation transacting business within the State  
10    of Nevada.

11  
12          7.     Alta is informed and believes that at all times relevant hereto,  
13    Defendant Anthony was a Florida resident transacting business within the State of  
14    Nevada.

15          8.     Alta is informed and believes that at all times relevant hereto,  
16    Defendant Bradley Swahn ("Swahn") was a Florida resident transacting business  
17    within the State of Nevada.

18          9.     Plaintiff does not know the true names of the individuals, corporations or  
19    partnerships sued and identified herein in fictitious names as DOES I-X. Plaintiff prays  
20    leave of this Court that when the true names and capacities of said Defendants are  
21    ascertained, it may amend this Complaint to insert the same with appropriate  
22    allegations. Plaintiff is informed and believes, and upon such information and belief  
23    alleges, that the Defendants designated herein by such fictitious names are or may be  
24    liable to Plaintiff in this action.  
25

26     ///

27     ///  
28

**GENERAL ALLEGATIONS**

10. This case centers around the issuance of 25,304,492 shares of Alta stock (the "Disputed Stock") originally issued to Century on February 23, 2006. The Disputed Stock was later transferred by Century to Aero-Nautical on September 10, 2012.

11. Alta asserts that the original issuance of the Disputed Stock was the result of fraud, breaches of corporate and fiduciary duties and a civil conspiracy to commit fraud by Swahn, Anthony and Century. As a result, the Disputed Stock is a nullity and, therefore, Aero-Nautical cannot be, and is not, a bona fide stockholder of Alta by reason of its purchase of the Disputed Stock.

12. In addition to monetary damages Alta may be able to recover, Alta seeks a declaration from this Court that: (1) the Disputed Stock is null and void; (2) the Disputed Stock has always been a nullity; and (3) Aero-Nautical is not a bona fide stockholder of Alta by reason of its purchase of the Disputed Stock. Finally, Alta seeks an order from this Court rescinding the issuance of the Disputed Stock in the first instance.

**A. ALTA'S HISTORY.**

13. Prior to 1999, Alta owned and operated several mining properties in the State of Nevada.

14. Alta's most promising mining claims were certain patented and unpatented claims located in the Olinghouse Mining District in Washoe County, Nevada (the "Alta Claims").

15. On April 14, 1999, Alta filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (Title 11 USC) with the United States

1 Bankruptcy Court for the District of Nevada as Case No. 99-31080-GWZ (the "Alta  
2 Bankruptcy").

3  
4 16. Alta was not successful in its Chapter 11 reorganization efforts. On  
5 October 6, 2000, Alta's Bankruptcy counsel sent a letter to the Office of the United  
6 States Trustee in which he advised that Alta had ceased all operations, had closed its  
7 business offices, and had no employees, officers or directors. For that reason, Alta's  
8 bankruptcy was dismissed on December 18, 2000.

9  
10 17. On June 1, 2003, the Nevada Secretary of State revoked Alta's corporate  
11 charter.

12 18. Alta is informed and believes, and on that basis alleges, that between the  
13 time the Alta Bankruptcy was dismissed because it had no officers or directors and  
14 November 30, 2005, there were no shareholder or director meetings held at which  
15 new/replacement officers or directors were elected or appointed.

16 19. On November 30, 2005, Swahn filed a Verified Complaint for  
17 Appointment of Custodian with the Eighth Judicial District Court of the State of Nevada  
18 as Case No. A-513790 (the "Custodianship Action"). Pursuant to that Complaint and a  
19 subsequent motion, Swahn sought to be appointed as Alta's custodian pursuant to NRS  
20 § 78.347(1)(a). On February 6, 2006, Swahn was appointed as Alta's custodian  
21 pursuant to, and with the powers enumerated in, NRS § 78.347.

22  
23 20. On February 6, 2006, Swahn filed a Notice of Entry of Order relating to  
24 the order appointing him as Alta's Custodian. This was the last document Swahn filed  
25 in the Custodianship Action.

26  
27 21. Aero-Nautical is a Delaware corporation. Its sole shareholder is an  
28 individual named Lawrence Allen ("Allen").

1           22. Allen is the sole officer and shareholder of another Nevada corporation  
2 known as Ward Enterprises ("Ward").  
3

4           23. Prior to December 2011, Ward was the sole shareholder of another  
5 Nevada corporation known as Golden Chain, Inc. ("GCI") and Allen was GCI's sole  
6 officer and director.

7           24. Prior to May 2011, Allen, Ward and GCI were engaged in litigation  
8 pending before the Second Judicial District Court of the State of Nevada in Case No.  
9 CV09-01904 (the "Quiet Title Action"). In the Quiet Title Action, GCI alleged it owned  
10 the Alta Claims and on that basis it asserted trespass claims against the defendants,  
11 Mitchell Fanning, et al. ("Fanning").  
12

13           25. Fanning challenged GCI's claim of ownership of the Alta Claims. In  
14 response, GCI threatened to amend its complaint in the Quiet Title Action to allege a  
15 claim for quiet title to the Alta Claims knowing full well Alta had no officers, directors or  
16 employees to speak for Alta or to defend Alta's title to the Alta Claims.

17           26. Fanning, as a shareholder and creditor of Alta, filed another action with  
18 the Second Judicial District Court for the State of Nevada seeking to have a receiver  
19 appointed for Alta so its ownership of the Alta Claims could be defended. That case  
20 was filed on May 13, 2011, as Case No. CV11-01488 (the "Receivership Action").  
21

22           27. On May 18, 2011, Clark was appointed as Alta's Receiver and she has  
23 been working tirelessly since then to defend Alta's title to the Alta Claims.

24           **B. THE CUSTODIANSHIP ACTION.**

25           28. As alleged above, on November 30, 2005, Swahn commenced the  
26 Custodianship Action in which he sought to be, and was, appointed Custodian for Alta  
27  
28

1 pursuant to NRS § 78.347 on the basis that Alta's charter had been revoked by the  
2 Nevada Secretary of State.

3  
4 29. Between July 2005 and March 2006, Swahn had filed at least eleven (11)  
5 actions with the Eighth Judicial District of the State of Nevada in which he sought to be  
6 appointed custodian for a variety of corporate defendants.

7 30. In the Alta Custodianship Action, Swahn alleged he was the owner of 500  
8 shares of Alta stock. However, at the time the Custodianship Action was filed, Swahn  
9 was not a shareholder of record.

10 31. In his Custodianship Complaint, Swahn alleged he intended to restore  
11 Alta's business for the benefit of Alta's shareholders. There is nothing of record in the  
12 Custodianship Action to indicate that Swahn ever did anything to restore Alta's  
13 business.  
14

15 32. In his Custodianship Complaint, Swahn alleged there were no conflicts of  
16 interest preventing him from serving as Alta's Custodian. Ultimately, however, the  
17 result of the Custodianship Action, in fact the only result of the Custodianship Action,  
18 was that an entity of which Swahn was a principal obtained the Disputed Stock for little  
19 or no consideration.  
20

21 33. In his Custodianship Complaint, Swahn alleged he intended to hold a  
22 shareholder meeting for Alta before May 20, 2006. There is nothing of record in the  
23 Custodianship Action to indicate that Swahn ever noticed or held a meeting of Alta's  
24 shareholders.  
25

26 34. Two weeks after Swahn was appointed as Alta's Custodian, he appointed  
27 Anthony as Alta's sole officer and director.  
28



1           35. There is nothing of record in the Custodianship Action to indicate that  
2 Swahn ever advised the Custodianship Court or Alta's shareholders of Anthony's  
3 appointment as Alta's sole officer or director.  
4

5           **C. THE ISSUANCE OF THE DISPUTED STOCK.**

6           36. In the final analysis, Swahn's sole act as Alta's Custodian was to appoint  
7 Anthony as Alta's sole officer and director, as it turns out, for the sole purpose of  
8 causing the Disputed Stock to be issued to an entity in which Swahn and Anthony were  
9 principals.  
10

11           37. On the very same day Anthony was appointed as Alta's sole officer and  
12 director, he issued the Disputed Stock to Century.

13           38. Century is a Florida limited liability company and Swahn and Anthony  
14 were principals of Century when the Disputed Stock was issued.

15           39. There is nothing of record in the Custodianship Action to indicate that  
16 Swahn or Anthony ever advised the Custodianship Court or Alta's shareholders that:  
17 (1) Anthony issued the Disputed Stock (constituting approximately 42% of Alta's total  
18 authorized stock); or (2) that Anthony and Swahn were principals of the entity that  
19 received the stock.  
20

21           40. There is nothing in the record of the Custodianship Action to indicate that  
22 Century ever paid anything to Alta or performed any services for Alta as consideration  
23 for the issuance of the Disputed Stock.

24           41. As Alta's Custodian, Swahn owed fiduciary duties to Alta and its  
25 shareholders.  
26  
27  
28



42. As Alta's sole officer and director, Anthony owed fiduciary duties to Alta and its shareholders including the duty of care, the duty of loyalty and the duty to act in good faith and with a view to the best interests of the corporation.

43. The issuance of the Disputed Stock was invalid under Nevada corporate law for several reasons including, but not limited to, the following:

**A. Anthony's Financial Interest in Century:**

I. Pursuant to NRS §78.140, a contract between a corporation and another entity in which a director of the corporation is financially interested may be void or voidable if the financially interested director approved the transaction unless certain conditions are met.

II. Under the facts presented in this case, the conditions that would cause the contract between Alta and Century to be "not void or voidable" do not exist and, therefore, the contract is void or voidable.

**B. The Issuance of the Disputed Stock Was Not Authorized by a Properly Constituted Board of Directors:**

I. NRS § 78.211 provides that the issuance of a corporation's shares must be approved by the corporation's board of directors.

II. At the time of Swahn's appointment as Alta's custodian, Alta had no directors, much less a board of directors.

III. Swahn purportedly appointed Anthony as Alta's sole director.

IV. The statutory provision under which Swahn was appointed Custodian (NRS § 78.347) does not authorize a custodian to appoint a board of directors. Instead, it grants custodians certain powers by incorporating the provisions of NRS §§78.590, 78.635 and 78.650. None of those provisions, however, authorize the appointment of a board of directors by a custodian.

V. Because Swahn had no authority to appoint Anthony as Alta's sole director, there was no properly constituted board of directors that had authority to approve the issuance of the Disputed Stock and, therefore, Anthony's authorization to issue the Disputed Stock was null and void.

///

1                   **C.     The Disputed Stock Should Have Been Placed in Escrow**  
2                   **and not Released to Century Until it Performed its Required Services:**

3                   I.     Alta's Restated By-Laws effective January 20, 1997,  
4                   provide that stock of the corporation may be issued for such consideration as permitted  
5                   by NRS 78.211.

6                   II.    NRS § 78.211 provides that a corporation may place  
7                   shares issued for future services into escrow, but if the future services are not  
8                   performed, the shares may be cancelled in whole or in part.

9                   III.   Century's purported consideration for the issuance of the  
10                  Disputed Stock included services to be rendered by Anthony and/or Century.

11                  IV.   Anthony did not provide for the escrow of the Disputed  
12                  Stock as provided in NRS § 78.211. Instead, Anthony caused the Disputed Stock to be  
13                  issued outright to Century without the requirement that he or Century perform their  
14                  promised future services.

15                   **D.     Century Did Not Pay an Adequate Consideration for the**  
16                   **Disputed Stock:**

17                  I.     NRS §78.211 provides that the judgment of the board of  
18                  directors as to the consideration received for the shares issued is conclusive in the  
19                  absence of actual fraud in the transaction.

20                  II.    In this case, Alta claims the Disputed Stock was  
21                  fraudulently issued, and therefore, the consideration paid by Anthony/Century and the  
22                  adequacy of the consideration is subject to analysis pursuant to NRS § 78.211.

23                  III.   Alta' Bylaws prohibit the issuance of shares for less than  
24                  par value, and the par value of Alta's stock was stated to be \$.001 per share.  
25                  Accordingly, Alta must have received at least \$25,304.49 in value for the issuance of  
26                  the Disputed Stock.

27                  IV.   The Board of Directors written consent for the issuance of  
28                  the Disputed Stock, signed only by Anthony, does not state the consideration paid for  
29                  the Disputed Shares other than to state that the Disputed Shares were being issued to  
30                  compensate Anthony and Century. The written consent makes no distinction between  
31                  services rendered by Anthony or Century prior to the issuance of the Disputed Stock as  
32                  compared to services to be rendered by Anthony and Century. Furthermore, the written  
33                  consent makes no attempt to value the pre-issuance and post-issuance services  
34                  performed or to be performed by Anthony or Century.

35                  V.     Considering the fraud perpetrated by Swahn, Anthony and  
36                  Century in this matter, there can be no presumption the Disputed Stock was issued for  
37                  adequate consideration.

1  
2 Given Swahn and Anthony's clear cavalier attitude toward the duties they owed to Alta  
3 and its shareholders and their total disregard of corporate formalities, other deficiencies  
4 in relation to the issuance of the Disputed Stock may be revealed during discovery in  
5 this case.

6  
7 44. There is nothing of record in the Receivership Action to indicate that  
8 Swahn, as Alta's Custodian, or Anthony, as Alta's sole officer and director ever did  
9 anything to advance Alta's business or that they truly ever intended to do anything to  
10 advance Alta's business.

11 45. The Custodianship Action was nothing more than a sham proceeding  
12 pursuant to which the sole and exclusive goal of Swahn and Anthony was to issue a  
13 significant portion of Alta's stock to an entity which they controlled. Swahn and Anthony  
14 used the Custodianship Action to hi-jack ownership of approximately 42% of Alta's  
15 stock via a self dealing transaction that was neither fair to Alta nor in its best interests.  
16

17 46. After Anthony issued the Disputed Stock, Swahn allowed Alta's corporate  
18 charter to be revoked, once again, by the Nevada Secretary of State.

19 47. To recap, prior to the commencement of the Custodianship Action, Alta  
20 had no active officers, directors or business and its corporate charter was revoked.  
21 After the Custodianship Action, Alta had no active officers, directors or business and its  
22 corporate charter was revoked. The only difference was that post-custodianship, an  
23 entity controlled by Swahn and Anthony purportedly owned approximately 42% of Alta's  
24 stock.  
25

26 ///

27 ///

1                   D.     **NO ONE OTHER THAN SWAHN AND ANTHONY KNEW, OR COULD**  
2                   **HAVE KNOWN, ABOUT THE ISSUANCE OF THE DISPUTED STOCK.**

3           48.     Swahn and Anthony took affirmative steps to conceal the issuance of  
4     the Disputed Stock.

5           49.     Although Swahn was Alta's Custodian and owed fiduciary duties to  
6     Alta's shareholders, there is nothing of record in the Custodianship Action to indicate  
7     that he ever notified the Court or Alta's shareholders of the issuance of the Disputed  
8     Stock.  
9

10          50.     In an affidavit filed with the Custodianship Court in support of his motion  
11     to be appointed Custodian, Swahn stated that he would "promptly report  
12     developments to the Court as the same occur." Swahn never submitted a report of  
13     any kind to the Receivership Court, much less a report in which he advised the Court  
14     about the issuance of the Disputed Stock.  
15

16          51.     Although Anthony was purportedly appointed as Alta's sole officer and  
17     director as part of the Custodianship Action, there is nothing of record in the  
18     Custodianship Action to indicate that Anthony ever: (1) advised the Custodianship  
19     Court of the issuance of the Disputed Stock; or (2) advised the Custodianship Court  
20     that the Disputed Stock was issued to a company in which he and Swahn were  
21     principals.  
22

23          52.     Although Anthony, as Alta's sole officer and director owed duties of  
24     care, loyalty and good faith to Alta and its shareholders, there is nothing of record in  
25     the Custodianship Action to indicate Anthony ever advised Alta's shareholders of the  
26     issuance of the Disputed Stock.  
27  
28

1           53. Between February 2006, when Swahn was appointed as Alta's  
2 Custodian and May 2011 when Clark was appointed Receiver, Swahn and Anthony  
3 were Alta's "eyes and ears". No other person or entity was in control of Alta that  
4 could have discovered Swahn's and Anthony's misdeeds. Swahn and Anthony, of  
5 course, had no reason or incentive to "blow the whistle" on their own improper  
6 conduct as Alta's Custodian, officers and directors.  
7

8           54. Although Alta had once been an SEC reporting company and although  
9 Swahn represented to the Custodianship Court that he should be appointed Alta's  
10 Custodian to permit Alta to "resume its status of good standing, and otherwise  
11 restoring the business and prospects of the corporation" Swahn and Anthony, during  
12 the pendency of the Custodianship Action, or thereafter, never filed any documents  
13 or statements with the SEC and they never disclosed the issuance of the Disputed  
14 Stock to the SEC.  
15

16           **E. ALTA'S DISCOVERY OF THE ISSUANCE OF THE DISPUTED**  
17           **STOCK.**

18           55. The Alta Bankruptcy was dismissed on December 18, 2000, because  
19 Alta had no officers, director or employees.

20           56. During the Alta Bankruptcy, a fellow by the name of John Bielun  
21 ("Bielun") had been appointed as Alta's representative under the provisions of FRBP  
22 9001(5). Bielun resigned as Alta's 9001(5) representative on August 30, 2000.  
23

24           57. Alta is informed and believes and on that basis alleges that between  
25 December 2000 and February 2006 (when Swahn was appointed Alta's custodian)  
26 there were no shareholders or board meetings at which new/replacement officers and  
27 directors could have been elected or appointed for Alta.  
28

1           58. Swahn was appointed Alta's Custodian in February 2006. Although it  
2 does not appear Swahn took any action as Alta's Custodian after he purportedly  
3 appointed Anthony as Alta's sole officer and director, he remained as Alta's  
4 Custodian until the Custodianship Action was dismissed in March 2013.  
5

6           59. There is nothing of record in the Custodianship Action, or elsewhere, to  
7 indicate that Anthony ever resigned his position as Alta's sole officer and director.  
8

9           60. Alta is informed and believes, and on that basis alleges, that between  
10 February 2006 (when Swahn was appointed Alta's Custodian) and May 2011 (when  
11 Clark was appointed as Alta's Receiver), there were no shareholder or board  
12 meetings at which officers and directors could have been elected or appointed for  
13 Alta.

14           61. After the Disputed Stock was issued and until Clark was appointed  
15 Receiver, Swahn and Anthony were still in control of Alta.

16           62. After the Disputed Stock was issued and until Clark was appointed  
17 Receiver, there were no other officers, directors other persons who were in a position  
18 to discover and investigate the issuance of the Disputed Stock other than Swahn and  
19 Anthony.  
20

21           63. While Swahn and Anthony were clearly aware of the issuance of the  
22 Disputed Stock, there is no reason to believe they would act adverse to their  
23 economic interests in Century and do anything to challenge their own misdeeds in  
24 connection with the issuance of the Disputed Stock.  
25

26           64. When Clark was appointed Receiver, she engaged legal counsel to  
27 represent Alta in the Quiet Title Action.  
28



1           65. During discovery in the Quiet Title Action, Bielun was deposed  
2 regarding the location of Alta's books and records. Bielun testified that Alta's books  
3 and records had been relocated to a building in the middle of an auto junk yard in  
4 North Las Vegas, Nevada, but he could not even recall the exact location of the junk  
5 yard.  
6

7           66. Upon her appointment as Receiver, Clark had her counsel contact  
8 Alta's transfer agent, Interwest Transfer, to obtain a listing of Alta's stockholders.  
9 Because Alta owed Interwest for past services, Interwest was unwilling to provide the  
10 stockholder list unless its bill was brought current.  
11

12           67. Clark was ultimately able to obtain funding to pay Interwest's bill and  
13 around March 2012, Clark was able to obtain a copy of Alta's stock register.  
14

15           68. The stock register identifies shareholders, addresses and the number of  
16 shares owned by each shareholder, but it contains no details relating to the  
17 circumstances under which each stock certificate was issued. In other words, even  
18 though Clark obtained Alta's stock register in March 2012, there was no information  
19 in the register to cause her to question Century's ownership of stock.  
20

21           69. Clark and the other parties to the Quiet Title Action settled that  
22 litigation, but Clark insisted the settlement had to be approved by the Receivership  
23 Court before it could be binding on Alta.  
24

25           70. Clark filed a motion to have the settlement approved by the  
26 Receivership Court and a hearing on that motion was scheduled for November 11,  
27 2012.  
28



1           71. Allen personally made an appearance at the hearing on the settlement  
2 motion on November 1, 2012. At that hearing he disclosed, for the first time, the  
3 existence of the Disputed Stock, and Aero-Nautical's claim of ownership.  
4

5           72. While Allen disclosed the existence of the Disputed Stock on November  
6 1, 2012, he did not disclose the circumstances surrounding the issuance of the stock.  
7

8           73. Following Allen's disclosure of the Disputed Stock, the Receiver began  
9 an investigation into the issuance of the stock and, in early 2013, discovered the  
10 circumstances surrounding its issuance.  
11

12           74. Allen attended most of the discovery depositions and most of the  
13 hearings in the Quiet Title Action and he was fully aware of Alta's troubled history and  
14 the absence of officers and directors who could authorize the issuance of the  
15 Disputed Stock. Any reasonable person knowing as much about Alta's corporate  
16 history as Allen did, would have been, or should have been, suspicious about the  
17 validity of the stock.

18                           **FIRST CLAIM FOR RELIEF**  
19                           **(Fraud in the Issuance of the Disputed Stock)**  
20                           **(Against Swahn, Anthony and Century)**

21           75. Alta repeats and realleges each and every allegation contained in  
22 paragraphs 1 through 74 above, and incorporates the same herein as if set forth in  
23 their entirety.

24           76. Swahn, as Alta's Custodian, owed fiduciary duties to Alta and Alta's  
25 shareholders.

26           77. Anthony, as Alta's sole officer and director, owed fiduciary duties of  
27 care, loyalty and good faith to Alta and its shareholders.  
28

1           78. At all times pertinent to the claims set forth herein, Swahn and Anthony  
2 acted for the purpose of advancing their own individual financial best interests, in  
3 violation of their duties to Alta and its shareholders, without concern about what was  
4 in Alta's or its shareholders' best interests.  
5

6           79. Swahn's improper conduct in the fraud resulting in the issuance of the  
7 Disputed Stock includes, but is not limited to:

8           A. His misrepresentations to the Custodianship Court that:

- 9           i. He was a shareholder of Alta when, in fact, he was not a  
10 registered shareholder;  
11           ii. He intended to hold a shareholder meeting when, in fact,  
12 he did not;  
13           iii. He intended to restore Alta's business for the benefit of  
14 Alta's shareholders when, in fact, he did not;  
15           iv. He would report any developments to the Court when, in  
16 fact, he did not; and  
17           v. He had no conflicts of interest when the apparent sole  
18 purpose of the Custodianship was to cause 42% of Alta's  
19 shares to be issued to an entity in which he had a  
20 financial interest.

21           B. His appointment of Anthony as Alta's sole officer and director  
22 without authority to do so under the provisions of NRS Chapter 78;

23           C. His appointment of Anthony as Alta's sole officer and director  
24 when he knew Anthony's sole act as an officer and director of Alta was going to be to  
25 issue the Disputed Stock to an entity in which he and Anthony had financial interests  
26 in violation of Anthony's duties to Alta and its shareholder;

27           D. His conflict of interests in serving as Alta's Custodian by reason  
28 of his financial interests in Century;

1                   E.     His intentional concealment of the issuance of the Disputed  
2     Stock by failing to advise the Custodianship Court, Alta's shareholders or the SEC of  
3     the issuance.

4  
5                   80.    Anthony's improper conduct in the fraud resulting in the issuance of the  
6     Disputed Stock includes, but is not limited to:

7                   A.     His conflict of interests by reason of his service as Alta's sole  
8     officer and director while maintaining his financial interests in Century;

9                   B.     The issuance of the Disputed Stock to an entity in which he had  
10    a financial interest, which issuance was neither fair to Alta nor in Alta's best interests;

11                   C.    His authorization to issue the Disputed Stock even though he  
12    was not legally appointed as a director of Alta;

13                   D.    His authorization to issue the Disputed Stock for little or no  
14    consideration;

15                   E.    His failure to escrow the Disputed Stock until Century performed  
16    the services that were to be consideration for the stock; and

17                   F.    His Concealment of the issuance of the Disputed Stock by not  
18    reporting the same to the Custodianship Court, Alta's shareholders or the SEC.

19                   81.   By reason of Swahn's and Anthony's breaches of their duties to Alta  
20    and its shareholders, Alta and its shareholders have been damaged in amounts to be  
21    proven at the trial in this matter.

22                   WHEREFORE, Alta prays for relief as hereinafter set forth.

23                   ///

24                   ///

**SECOND CLAIM FOR RELIEF  
(Conspiracy to Commit Fraud)  
(Against Swahn, Anthony and Century)**

82. Alta repeats and realleges each and every allegation contained in paragraphs 1 through 81 above, and incorporates the same herein as if set forth in their entirety.

83. Swahn, Anthony and Century, by acting at all times in concert with each other as hereinabove alleged, intended to accomplish an unlawful act, to wit: the illegal and fraudulent issuance of the Disputed Stock in the manner hereinabove set forth.

84. Even though Century was the recipient of the Disputed Stock, Swahn and Anthony acted in their own financial best interests in connection with the issuance of the Disputed Stock by reason of their direct financial interests in Century.

85. As a result of Swahn, Anthony and Century's concerted efforts to cause the Disputed Stock to be issued to Century, Alta and its shareholders have been damaged in an amount to be proven at the trial in this matter.

WHEREFORE, Alta prays for relief as hereinafter set forth.

**THIRD CLAIM FOR RELIEF  
(Breaches of Fiduciary Duties)  
(Against Swahn and Anthony)**

86. Alta repeats and realleges each and every allegation contained in paragraphs 1 through 85 above, and incorporates the same herein as if set forth in their entirety.

87. Swahn and Anthony owed fiduciary duties to Alta and Alta's shareholders as hereinabove alleged.

1           88. Swahn and Anthony breached their fiduciary duties to Alta and its  
2 shareholders as hereinabove alleged.

3           89. As a result of Swahn and Anthony's breaches of their fiduciary duties,  
4 Alta and its shareholders have been damaged in an amount to be proven at the trial  
5 in this matter.  
6

7           WHEREFORE, Alta prays for relief as hereinafter set forth.

8                                   **FOURTH CLAIM FOR RELIEF**  
9                                   **(Constructive Fraud)**  
10                                  **(Against Swahn and Anthony)**

11           90. Alta repeats and realleges each and every allegation contained in  
12 paragraphs 1 through 89 above, and incorporates the same herein as if set forth in  
13 their entirety.

14           91. Swahn and Anthony both owed fiduciary duties to Alta in their purported  
15 roles as its Custodian and officers and directors of the company.

16           92. Swahn and Anthony both breached those fiduciary duties as  
17 hereinabove alleged.

18           93. Furthermore, Swahn and Anthony concealed their improper and illegal  
19 conduct relating to the issuance of the Disputed Stock from the Custodianship Court  
20 and Alta's shareholders.  
21

22           94. As a result of their breaches of their fiduciary duties and the  
23 concealment of their improper and illegal conduct, Alta and its shareholders have  
24 been damaged in an amount to be proven at trial in this matter.

25           WHEREFORE, Alta prays for relief as hereinafter set forth.

26  
27           ///

28           ///

**FIFTH CLAIM FOR RELIEF**  
**(Aiding and Abetting Fraud Against Century)**

95. Alta repeats and realleges each and every allegation contained in paragraphs 1 through 94 above, and incorporates the same herein as if set forth in their entirety.

96. Century, by and through the conduct of its principals Swahn and Anthony, knew that Swahn and Anthony owed fiduciary duties to Alta and its shareholders.

97. Century, by and through the conduct of its principals Swahn and Anthony, knew that Swahn and Anthony's conduct in issuing the Disputed Stock violated their fiduciary duties to Alta and its shareholders.

98. Century, by and through the conduct of its principals Swahn and Anthony, knew that Swahn and Anthony concealed the issuance of the Disputed Stock by failing to advise the Custodianship Court, Alta's shareholders or the SEC of the issuance.

99. Century, by and through the conduct of Swahn and Anthony, assisted and encouraged Swahn and Anthony to issue the Disputed Stock and to conceal the issuance from the Custodianship Court, Alta's shareholders and the SEC.

100. As a result of Century's conduct in assisting and encouraging Swahn and Anthony to breach their fiduciary duties to Alta's shareholders and to conceal those breaches, Alta and its shareholders have been damaged in an amount to be proven at the trial in this matter.

WHEREFORE, Alta prays for relief as hereinafter set forth.

///

**SIXTH CLAIM FOR RELIEF**  
**(Declaratory Relief)**  
**(Affects all Defendants)**

101. Alta repeats and realleges each and every allegation contained in paragraphs 1 through 100 above, and incorporates the same herein as if set forth in their entirety.

102. Nevada has adopted the Uniform Declaratory Judgments Act set out in Chapter 30 of the Nevada Revised Statutes.

103. NRS §30.030 provides that courts of record have the power to declare rights, status and other legal relations whether or not further relief is or could be claimed. Furthermore, no objection or proceeding shall be open to objection on the ground that a declaratory judgment is prayed for.

104. NRS §30.040 provides that any person interested under a written contract or other writings constituting a contract or whose rights are affected by a contract may have its rights determined and obtain a declaration of rights thereunder.

105. NRS §30.070 provides that the enumeration of cases in other sections of the Declaratory Judgments Act does not limit or restrict the exercise of the general powers conferred in NRS §30.030 in any proceeding where declaratory relief is sought if the judgment will terminate the controversy or remove the uncertainty.

106. NRS §30.140 provides that the Declaratory Judgments Act is remedial and its purpose is to settle and afford relief from uncertainty with respect to rights, status or other legal relations and its provisions are to be liberally construed.

107. In relation to the Disputed Stock, there is a genuine uncertainty regarding the validity of the issuance of the stock and the parties' rights in relation thereto including, but not limited to, the very questions of whether the stock is or is



1 not valid and if Aero-Nautical is or is not a bona-fide shareholder of Alta by reason of  
2 its purchase of the Disputed Stock from Century.  
3

4 108. It is appropriate for this Court to issue a declaration respecting the  
5 validity of the issuance of the Disputed Stock and Aero-Nautical's status as a  
6 shareholder of Alta by reason of its acquisition of the Disputed Stock.

7 WHEREFORE, Alta prays for relief as follows:

8 A. For declaratory judgment declaring that:

- 9 i. The Disputed Stock was fraudulently issued;  
10 ii. The issuance of the Disputed Stock was null and void ab initio;  
11 iii. The Disputed Stock continues to be void and has no legal effects  
12 whatsoever;  
13 iv. The issuance of the Disputed Stock should be rescinded;  
14 v. No person or entity, including Aero-Nautical, may claim rights as  
15 a shareholder of Alta by reason of his/her/its claim of ownership  
16 of the Disputed Stock;  
17 vi. Alta's transfer agent shall be directed to remove the Disputed  
18 Stock from Alta's stock register; and  
19 vii. Such other declarations as are just and appropriate under the  
20 circumstances;

21 B. For entry of an order rescinding the issuance of the Disputed Stock;

22 C. For damages as may be proven at the trial in this matter;

23 D. For costs of suit as may be allowed by law;

24 E. For an award of attorneys' fees; and

25 ///

26 ///

27 ///

1 F. For such other and further relief as is just and proper under the  
2 circumstances.

3 DATED this 16<sup>th</sup> day of September, 2013.

4 WOODBURN AND WEDGE

5  
6 BY: 

7 John F. Murtha, Esq.  
8 Ellen Jean Winograd, Esq.  
9 Dane W. Anderson, Esq.  
10 Attorneys for Angelique L. M.  
11 Clark, Receiver for Alta Gold  
12 Mining Co.  
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**CERTIFICATE OF SERVICE**

I certify that I am an employee of the law firm of Woodburn and Wedge, and that on the 16 day of September, 2013, I caused the foregoing document to be delivered to all parties entitled to notice in this action by electronic service through the Court's CM/ECF system to:

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*Danise Sorcini*